



Control Number: 51415



Item Number: 45

Addendum StartPage: 0



**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
ELECTRIC POWER COMPANY FOR § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS
§**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
FIRST REQUEST FOR INFORMATION**

NOVEMBER 12, 2020

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Files provided electronically on the PUC Interchange

TIEC_1-10_Attachment_1_Load_Shapes.xlsx
 TIEC_1-14_Attachment_1.xlsxTIEC_1-15_Attachment_1_(SPP-OATT_expense) (002).xlsx
 TIEC_1-22_Attachment_1.xlsx
 TIEC_1-27_SPP_Ancillary_Service_Cost.xlsx
 TIEC_1-1_Attach_1_(MS-Functionalized).xlsx
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 TIEC_1-2_Attach_1_(2020_3_BS8325_SEP_Corp_Balance_Sheet).xls
 TIEC 1-37 SWEPCO ROE Electronic Exhibit.xlsm
 TIEC_1-3_Attachment_1_(SWPTX_Tariff_Class_Demands_-
 _Revised_for_CGS_LLPT_(Eastman),_MMT_(US_Steel)_and_IPS).xlsx
 TIEC_1-5_(EXHIBIT_JLJ-1).xlsx
 TIEC_1-15_Attachment_1_(SPP-OATT_expense) (002).xlsx

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Question No. TIEC 1-1:

Please provide a copy of the following EXCEL workbooks linked to Schedule P-1 SWEPCO TX COS_Class TY3-2020 Filed with all formulas and links intact:

- a. 12_Distribution Assets including Location_SEND File.
- b. AEPSC Base Labor billed to SWEPCO for Test Year-2020-send to Earlyne.
- c. MS- Functionalized.
- d. Prod Alloc SWEPCO Juris SWP TY Mar 2020.
- e. Tran Alloc SWEPCO Juris SPP TY Mar 2020.
- f. Weighted Rev Tax Alloc (SWEPCO TX data ye 3-2020 inside city limits).

Response No. TIEC 1-1:

- a. Please see TIEC 1-1 Attachment 2 for the requested EXCEL workbook.
- b. The requested EXCEL workbook is included in the filed workpaper native files.
- c. Please see TIEC 1-1 Attachment 1 for the requested EXCEL workbook.
- d. Please see WP_Exhibit JOA-2 (Jurisdictional Production Allocation), filed on October 30, 2020, which is the same as the requested EXCEL workbook.
- e. Please see WP_Exhibit JOA-3 (Jurisdictional Transmission Allocation), filed on October 30, 2020, which is the same as the requested EXCEL workbook.
- f. The requested EXCEL workbook is included in the filed workpaper native files.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail of Short Term Assets
For the Test Year Ended March 31, 2020

Line No.	(1) Description	(2) Account	(16) 13-Month Average	Adjusted			
				T	G	D	
11	<u>Materials & Supplies</u>						
12	M&S - Regular	1540001	65,916,806	5,381,465	48,120,016	12,415,325	
13	Material in Transit	1540003	58,102			58,102	
14	M&S - Exempt Material	1540004	507,992		507,992		
15	M&S - Lime and Limestone	1540006	1,557,859		1,557,859		
16	Materials & Supplies - Urea	1540012	(2)		(2)		
17	Transportation Inventory	1540013	115,085			115,085	
18	Matls Supply-Activated Carbon	1540025	1,246,234		1,246,234		
19	M&S - Anhydrous Ammonia	1540028	35,621		35,621		
20	Matls Supply-Calcium Bromide	1540030	72,555		72,555		
21	CSAPR Seas NOx Comp Inv - Curr	1581014	13,155		13,155		
22	Total Materials & Supplies		<u>69,523,407</u>	<u>5,381,465</u>	<u>51,553,430</u>	<u>12,588,512</u>	69,523,407

SWEPSCO DISTRIBUTION PLANT IN SERVICE BALANCES at March 31st 2020

FERC Account	ending_balance	state	
360 - Land and Land Rights	2,739,763.79	AR	
361 - Structures and Improvements	2,881,712.98	AR	
362 - Station Equipment	84,005,264.03	AR	
364 - Poles, Towers and Fixtures	89,078,558.57	AR	
365 - Overhead Conductors, Devices	97,632,483.87	AR	
366 - Underground Conduit	16,467,094.14	AR	
367 - Undergrnd Conductors, Devices	57,390,557.33	AR	
368 - Line Transformers	56,235,948.47	AR	
369 - Services	16,127,395.22	AR	
370 - Meters	27,038,205.33	AR	
371 - Installs on Customer Premises	9,853,497.92	AR	
373 - Street Lighting,Signal System	7,417,797.13	AR	
	466,868,278.78	AR	Total
360 - Land and Land Rights	2,774,418.70	LA	
361 - Structures and Improvements	3,540,810.94	LA	
362 - Station Equipment	126,649,365.04	LA	
364 - Poles, Towers and Fixtures	208,915,642.47	LA	
365 - Overhead Conductors, Devices	208,291,125.34	LA	
366 - Underground Conduit	36,010,275.47	LA	
367 - Undergrnd Conductors, Devices	114,093,151.33	LA	
368 - Line Transformers	205,110,328.74	LA	
369 - Services	44,705,355.79	LA	
370 - Meters	35,817,732.88	LA	
371 - Installs on Customer Premises	17,958,831.94	LA	
373 - Street Lighting,Signal System	24,762,697.95	LA	
	1,028,629,736.59	LA	Total
362 - Station Equipment	10,293.17	OK	
368 - Line Transformers	-	OK	
373 - Street Lighting,Signal System	-	OK	
	10,293.17	OK	Total
360 - Land and Land Rights	4,448,424.69	TX	
361 - Structures and Improvements	3,127,202.04	TX	
362 - Station Equipment	126,891,520.48	TX	
364 - Poles, Towers and Fixtures	180,647,102.11	TX	
365 - Overhead Conductors, Devices	176,212,310.39	TX	
366 - Underground Conduit	20,750,785.88	TX	
367 - Undergrnd Conductors, Devices	66,073,127.62	TX	
368 - Line Transformers	148,915,820.41	TX	
369 - Services	36,994,741.88	TX	
370 - Meters	23,376,319.83	TX	
371 - Installs on Customer Premises	16,342,082.96	TX	
373 - Street Lighting,Signal System	10,983,733.07	TX	
	814,763,171.36	TX	Total
	2,310,271,479.90	Grand Total	

Source: PowerPlant Asset Report 1012
Prepared: Subalakshmi Saravanan
Reviewed: Heather Prince

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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FIRST REQUEST FOR INFORMATION**

Question No. TIEC 1-2:

Please provide a copy of all EXCEL workbooks with all formulas intact that are linked to the EXCEL workbooks requested in TIEC 1-1.

Response No. TIEC 1-2:

Please see Schedule A (Cost of Service), Schedule G-9_G-9.1 Taxes Other than Income Taxes, Schedule E-1 and E-1.1 (Short Term Assets), and Schedule Q.1, 1.1 for copies of Excel workbooks that are linked to the Excel workbooks requested in TIEC 1-1. These workbooks were all submitted as native Excel files with SWEPCO's rate-filing package.

Please see attached file TIEC 1.2 Attachment 1 for copies of Excel workbooks that are linked to the Excel workbooks requested in TIEC 1-1 but were not included with SWEPCO's filing package.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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FIRST REQUEST FOR INFORMATION**

Question No. TIEC 1-3:

Referring to Schedule P-1 SWEPCO TX COS_Class TY3-2020 Filed:

- a. Please provide the workpapers supporting the DEMTRANS and SPPDEMAND allocation factors.
- b. Please provide the workpapers showing the derivation of the coincident peak, class peak, and non-coincident peak demands at the generation level, including the quantities at the meter and the applicable loss factors.

Response No. TIEC 1-3:

- a. Please see WP_ Exhibit JOA-3 (Jurisdictional Transmission Allocation) for DEMTRANS and SPPDEMAND supporting calculations.
- b. Please see TIEC 1-3 Attachment 1(provided electronically on the PUC Interchange) for the CP, NCP, MDD calculations at the meter and generator.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-4:

Please provide a copy of the most recent loss study.

Response No. TIEC 1-4:

Please see SWEPCO rate-filing package Schedule O-6.3 (SWEPCO 2018 Loss Analysis_final) for the most recent loss study.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-5:

Please provide a "live" EXCEL version of Exhibit JLJ-1.

Response No. TIEC 1-5:

Please see TIEC 1-5 Attachment 1 for a "live" EXCEL version of Exhibit JLJ-1.

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr
Title: Reg Pricing & Analysis Mgr

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-6:

Please provide a copy of all EXCEL workbooks linked to Exhibit JLJ-1 in “live” format.

Response No. TIEC 1-6:

The electronic version of Exhibit JLJ-1 has links to Schedule O, Schedule Q-7 Proof of Revenue, and Schedule P-1 SWEPCO TX COS class TY 3_2020.xlsx. Each of these Excel workbooks was submitted in electronic format as part of SWEPCO's rate-filing package.

Prepared By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-7:

Referring to page 23, lines 4-10, please provide all documents supporting the assertion that SPP requires load of customers having self-generation that is synchronized with the SWEPCO transmission system to be included in SWEPCO's load ratio share allocation by the SPP.

Response No. TIEC 1-7:

The statement on page 23, lines 4-10 of Ms. Jackson's testimony is supported by the fact that SPP is billing SWEPCO for Network Integration Transmission Service through SPP's FERC-approved Open Access Transmission Tariff (OATT) for the behind-the-meter retail load being served by Eastman Chemical Company. SWEPCO is aware that TIEC has taken issue with SPP's application of its OATT to retail behind-the-meter load. SPP has subsequently evaluated whether some behind-the-meter load should be exempted in certain circumstances, but the SPP stakeholders and/or FERC have not approved any changes to the SPP OATT to support any exemptions.

Prepared By: C. Richard Ross

Title: Mgn. Dir. RTO Policy & FERC

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-8:

Please provide workpapers supporting the proposed \$2.20 per CP-kW charge for synchronized self-generation load.

Response No. TIEC 1-8:

Please see the filed Schedule Q-7 Proof of Revenue, the tab entitled, SBMA, for the workpapers supporting the charge.

Synchronized Self Generation SPP Load	\$2.20
Total Commercial & Industrial Transmission Revenue	\$57,181,325
Total Commercial & Industrial NCP	13,008,187.52
Transmission Unit Cost	\$4.40
50% of Transmission Unit Cost	\$2.20

Prepared By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

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Question No. TIEC 1-9:

Please provide a copy of SWEPCO's most recent avoided cost analysis.

Response No. TIEC 1-9:

The most recent avoided cost analysis provided by SWEPCO is the § 25.242 report that is filed annually in PUC Project No. 18692. The most recent example can be found at the following hyperlink:

<http://interchange.puc.texas.gov/Search/Documents?controlNumber=18692&itemNumber=157>

Prepared By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

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Question No. TIEC 1-10:

Please provide workpapers supporting the definitions of On-Peak and Off-Peak hours in the proposed REV and Time-of-Use pilot tariffs.

Response No. TIEC 1-10:

The time period definitions for the proposed REV and TOU pilot tariffs are based on SWEPCO TX load shapes for residential and commercial customers and currently approved peak time-of-use periods for other currently approved commercial and industrial tariffs.

Please see the attachment, TIEC 1-10 Attachment 1 Load Profiles, filed with this response for workpapers supporting the residential and commercial on and off peak seasons and on and off-peak time periods used in the proposed residential electric vehicle tariff and the proposed time-of-use pilot tariffs.

The off-peak periods for the residential EV tariff are defined as 11pm to ~5am each day to maintain separation from existing system peaks both in the winter and summer. The Residential TOU shares the same off-peak seasons and time periods as the REV tariff but includes a super peak that follows the typical system peak time during the summer months. The proposed Lighting and Power TOU pilot uses the same on-peak time period as the currently approved Off-Peak Rider and Metal Melting Service 69 kV tariff.

Prepared By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-11:

Please state the number of Texas retail customers that currently have time-of-use meters by customer class.

Response No. TIEC 1-11:

SWEPKO does not have any "time-of-use" meters. SWEPCO does have interval data recorders used for load research, system load, and billing purposes. There are 545 total interval data recorders, 281 used for load research purposes, 248, for billing and load research purposes, and 16 used specifically for billing purposes. Of the 16 used for billing purposes, 7 are billed under the General Service rate schedule, 5 are billed under the Lighting & Power Secondary rate schedule, 1 is billed under the Lighting and Power Primary rate schedule, 1 is billed under the Oil Field rate schedule, 1 is billed under the residential rate schedule, and there is one test meter.

Prepared By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-12:

Please provide the workpapers supporting the proposed Rate Case Expense rider.

Response No. TIEC 1-12:

Please see Docket No. 47141 for the workpapers supporting the currently approved rate case expense factors.

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr
Title: Reg Pricing & Analysis Mgr

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-13:

Regarding the Capacity Charge for Highly Fluctuating Loads:

- a. Please provide the workpapers supporting the continuation of the current charge.
- b. Please provide the workpapers supporting the proposed \$2.081.60 per month charge.
- c. Please explain how SWEPCO determines when customers operating equipment with highly fluctuating, intermittent, or abnormal characteristics make it necessary for the Company to install special facilities to serve the Customer or to prevent disturbances to the service to other Customers.
- d. Please identify the number of customers, the associated rate schedule, and the billed revenues for whom the Capacity Charge for Highly Fluctuating Loads currently applies.

Response No. TIEC 1-13:

- a. The circumstances that cause the Charge for Highly Fluctuating Loads continue to occur. SWEPCO continues to apply the charge to customers who cause SWEPCO to install special facilities due to a customer's highly fluctuating, intermittent, or abnormal load characteristics so that other customers do not have to bear that cost. Schedule Q-7, proof of revenue, details the current and proposed rates for the Charge for Highly Fluctuating Loads and indicates the present and proposed revenue associated with that charge.
- b. The present Charge for Highly Fluctuating Loads is \$1.60 per month per kVA or fraction thereof of transformer capacity installed by the Company to serve the Customer. The proposed charge is \$2.08 based on the SWEPCO total retail system increase of 30.31%. Please see the electronic version of the filed Schedule Q-7, the "Rate Input" and "Proposed Base Rev Increase" tabs for the calculation.
- c. The Charge for Highly Fluctuating Load is applied when SWEPCO has to upsize its transformers in order to allow a customer's equipment to operate correctly or prevent the customer's load from causing problems on the distribution grid. This is not a common issue. The types of loads where this may be used include welders, older MRI machines, and Arc Furnaces, and other types of equipment that can place a large amount of load on the transformer and distribution grid for short periods of time.
- d. There are 26 customers in the test year that were billed a Charge for Highly Fluctuating Loads for a total adjusted revenue in the test year of \$7,776. There are 17 General Service Customers accounting for \$3,777 in test year billed revenues and 9 Lighting and Power Secondary Customers accounting for \$3,999 in test year billed revenues associated with the Charge for Highly Fluctuating Loads.

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-14:

Referring to page 15:

- a. Please provide all information that SWEPCO provided to SPP in determining the Zone 1 and SWEPCO monthly load ratio shares for calendar years 2019 and 2020 and the supporting workpapers.
- b. Please provide workpapers showing the derivation of self-served load from retail behind-the-meter generation used in determining the Zone 1 and SWEPCO monthly load ratio shares for calendar years 2019 and 2020 and all supporting workpapers.
- c. Has SWEPCO proposed a similar adjustment as the one described in subpart b for self-served load by its wholesale transmission customers? Explain your response.
- d. Please confirm that the applicable SPP monthly load ratio shares in 2020 are based on loads that occurred in 2019. If not confirm, please explain why not.
- e. Please provide the Zone 1 and SWEPCO monthly load ratio shares since 2015.

Response No. TIEC 1-14:

- a. Please see TIEC 1-14 Attachment 1 with load worksheet from 2015 through 2019.
- b. See Response to a.
- c. No. SWEPCO is not aware if any SWEPCO wholesale customer provides behind-the-meter service to its customers.
- d. Confirmed, however actual billings will be a true-up to 2020 actual loads through the annual true-up process in 2021.
- e. Please see TIEC 1-14 Attachment 1 for AEP Zone 1 and SWEPCO monthly loads since 2015.

Prepared By: Jennifer L. Jackson
Sponsored By: John O. Aaron

Title: Reg Pricing & Analysis Mgr
Title: Dir Reg Pricing & Analysis

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-15:

Referring to page 18:

- a. Please provide a detailed breakdown of the proposed test-year Transmission-Related Other Electric Revenues. In responding, please further separate the SPP-related revenues by service schedule.
- b. Please provide all workpapers showing the derivation of SPP-OATT expenses allocated to SWEPCO for the test year and calendar year 2019.

Response No. TIEC 1-15:

- a. Please see the filed entitled "SWEPCO Misc Rev TYE Mar 2020," which was submitted as a native Excel file with SWEPCO's rate-filing package, for the workpaper supporting test-year Transmission-Related Other Electric Revenues. Below are the SPP-related revenues by service schedule.

<u>Description</u>	<u>SPP Schedule</u>	<u>Total Company \$</u>
SPP Ancillary	Sch 1	\$ 1,135,513
SPP Pt to Pt	Sch 8	5,506,610
SPP - NITS	Sch 9	113,061,175
SPP Base Plan Funding	Sch 11	50,661,850
SPP - Dir Assign		711,732
		<u>\$ 171,076,879</u>

- b. Please see TIEC 1-15 Attachment 1 for the schedule of the Company's SPP-OATT expenses for the calendar year 2019 and the test year.

Prepared By: Shawna G. Jones
Prepared By: Earlyne T. Reynolds

Title: Regulatory Consultant Staff
Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-16:

Referring to page 6:

- a. Please provide all documents surrounding the settlement(s) in which SWEPCO agreed to retire the Dolet Hills Power Station.
- b. Please provide a schedule of the net book value of SWEPCO's share of the environmental investments at the Dolet Hills Power Station that SWEPCO sought and received approval from the PUCT in Docket No. 46449.
- c. Please confirm that in Docket No. 46449, Dolet Hills was projected to retire in the year 2046. If not confirm, please state why not.

Response No. TIEC 1-16:

- a. The 2019 SWEPCO Arkansas rate case settlement is publicly available at: http://www.apscservices.info/pdf/19/19-008-U_301_1.pdf
- b. Please see attachment TIEC 1-16b Attachment 1.xlsx
- c. Confirmed.

Prepared By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

Prepared By: Christopher N. Martel

Title: Regulatory Consultant Sr

Sponsored By: Thomas P. Brice

Title: VP Regulatory & Finance

Company	Major Location	Utility Account	Cc Environmental	Month	Book Cost	Allocated Reserve	Net Book Value
Southwestern Electric Pwr - Gen	Dolet Hills Generating Plant	31200 - Boiler Plant Equip-Coal	Air Pollution	03/2020	\$57,010,309.85	\$10,948,680.73	\$46,061,629.12
Southwestern Electric Pwr - Gen	Dolet Hills Generating Plant	31600 - Misc Pwr Plant Equip-Coal	Air Pollution	03/2020	\$2,117,781.26	\$1,386,414.07	\$731,367.19
Southwestern Electric Pwr - Gen	Dolet Hills Generating Plant	31100 - Structures, Improvemnt-Coal	Solid Waste Disposal	03/2020	\$329,674.02	\$75,481.62	\$254,192.40
Southwestern Electric Pwr - Gen	Dolet Hills Generating Plant	31200 - Boiler Plant Equip-Coal	Solid Waste Disposal	03/2020	\$2,480.68	\$458.35	\$2,022.33
Southwestern Electric Pwr - Gen	Dolet Hills Generating Plant	31600 - Misc Pwr Plant Equip-Coal	Solid Waste Disposal	03/2020	\$249,260.91	\$168,133.88	\$81,127.03
Southwestern Electric Pwr - Gen	Dolet Hills Generating Plant	31200 - Boiler Plant Equip-Coal	Water Pollution	03/2020	\$52,408.30	\$30,882.29	\$21,526.01
					\$59,761,915.02	\$12,610,050.94	\$47,151,864.08

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
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Question No. TIEC 1-17:

Please provide all presentations, analyses, and documents supporting the decision to retire the Dolet Hills Power Station by the end of 2021.

Response No. TIEC 1-17:

Cleco Power LLC and SWEPCO filed a Joint Application for (I) Authorization to Close the Oxbow Mine; and (II) Authorization to Include and Defer Certain Accelerated Mine Closing Costs in Fuel and Related Ratemaking Treatments. The documents associated with that Docket U-35753 are publicly available on the LPSC's website:

<http://lpscstar.louisiana.gov/Star/portal/lpsc/PSC/PSCDocumentDetailsPage.aspx?DocumentId=b028db89-b466-486e-9698-110c008ac836&Class=Filing>

In addition, please see the workpaper entitled "Brice WP - Pgs from Filed App and Testimony - 10.6.20," which was submitted with the native files to SWEPCO's rate-filing package and are available on the Commission Interchange.

Finally, please also see TIEC 1-17 HS Attachment 1 and TIEC 1-17 HS Attachment 2.

The attachments responsive to this request are HIGHLY SENSITIVE MATERIAL under the terms of the Protective Order. Due to current restrictions associated with COVID-19, this information is being provided electronically and a secure login to access the information will be provided upon request to individuals who have signed the Protective Order Certification.

Prepared By: Christopher N. Martel
Sponsored By: Thomas P. Brice

Title: Regulatory Consultant Sr
Title: VP Regulatory & Finance

**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-18:

Please provide all internal communications regarding the decision to retire the Dolet Hills Power Station by the end of 2021.

Response No. TIEC 1-18:

SWEPCO has withheld certain responsive communications because they are subject to the attorney-client privilege and/or are protected attorney work product. In accordance with an agreement with counsel for TIEC, SWEPCO is filing an objection and corresponding privilege index concurrent with the filing of this response.

Prepared By: Thomas P. Brice
Sponsored By: Thomas P. Brice

Title: VP Regulatory & Finance
Title: VP Regulatory & Finance

**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-19:

Please state SWEPCO's current estimate of the retirement date of the Dolet Hills Power Station.

Response No. TIEC 1-19:

SWEPCO's current estimate of the retirement date for the Dolet Hills Power Station is no later than December 31, 2021.

Prepared By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

Sponsored By: Thomas P. Brice

Title: VP Regulatory & Finance

Sponsored By: Monte A. McMahon

Title: VP Generating Assets SWEPCO

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-20:

Referring to page 7, lines 7-11, please provide supporting documents that GAAP and standard regulatory practices requiring that a large asset must be fully depreciated at the end of its economic life.

Response No. TIEC 1-20:

Under GAAP Accounting Standards Codification (ASC) 360-10-35-4 and 35-8, a large asset must be fully depreciated by the end of its economic life. See the applicable GAAP standards below.

ASC 360-10-35-4 The cost of a productive facility is one of the costs of the services it renders during its useful economic life. Generally accepted accounting principles (GAAP) require that this cost be spread over the expected useful life of the facility in such a way as to allocate it as equitably as possible to the periods during which services are obtained from the use of the facility. This procedure is known as depreciation accounting, a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner. It is a process of allocation, not of valuation.

ASC 360-10-35-8 In practice, experience regarding loss or damage to depreciable assets is in some cases one of the factors considered in estimating the depreciable lives of a group of depreciable assets, along with such other factors as wear and tear, obsolescence, and maintenance and replacement policies.

Under standard regulatory practices, a large asset must be fully depreciated by the end of its economic life. See applicable PURA and FERC references below.

PURA Sec. 36.056. DEPRECIATION, AMORTIZATION, AND DEPLETION.

(a) The commission shall establish proper and adequate rates and methods of depreciation, amortization, or depletion for each class of property of an electric or municipally owned utility.

(b) The rates and methods established under this section and the depreciation account required by Section 32.102 shall be used uniformly and consistently throughout rate-setting and appeal proceedings.

(V.A.C.S. art. 1446c-0, secs. 2.151(a) (part), (d).)

FERC definition of Depreciation: 12. Depreciation, as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by

insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

FERC definition of Service Life: 36. Service life means the time between the date electric plant is includible in electric plant in service, or electric plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.

FERC General Instruction:

22. Depreciation Accounting.

- A. Method. Utilities must use a method of depreciation that allocates in a systematic and rational manner the service value of depreciable property over the service life of the property.
- B. Service lives. Estimated useful service lives of depreciable property must be supported by engineering, economic, or other depreciation studies.
- C. Rate. Utilities must use percentage rates of depreciation that are based on a method of depreciation that allocates in a systematic and rational manner the service value of depreciable property to the service life of the property. Where composite depreciation rates are used, they should be based on the weighted average estimated useful service lives of the depreciable property comprising the composite group.

Prepared By: Randall W. Hamlett
Sponsored By: Thomas P. Brice

Title: Dir Regulatory Acctg Svcs
Title: VP Regulatory & Finance

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-21:

Referring to page 8, lines 1-7, please identify the alternative amortization periods considered by SWEPCO and the reasons for choosing a four-year period to amortize the remaining Dolet Hills investment.

Response No. TIEC 1-21:

SWEPCO did not consider any other alternative amortization periods to amortize the remaining Dolet Hills investment. Due the recent change related to the Dolet Hills service life and the fact that the remaining investment balance after the proposed tax offset is not significant to SWEPCO's overall cost of service, SWEPCO proposes a four year amortization period as it represents the standard period of time between base rate cases.

Prepared By: Michael A. Baird
Sponsored By: Thomas P. Brice

Title: Mng Dir Acctng Policy & Rsrch
Title: VP Regulatory & Finance

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-22:

Referring to page 12:

- a. Please state the amount of Hurricane Laura restoration costs that SWEPCO is proposing to charge against the proposed self-insurance reserve.
- b. Please provide a detailed breakdown of the Hurricane Laura restoration costs by FERC account with labor and materials expenses separately stated.

Response No. TIEC 1-22:

- a.-b. Please refer to TIEC 1-22 Attachment 1.

Prepared By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

Prepared By: Christopher N. Martel

Title: Regulatory Consultant Sr

Sponsored By: Thomas P. Brice

Title: VP Regulatory & Finance

**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
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Question No. TIEC 1-23:

Referring to page 13, lines 1-5:

- a. Please state the regulatory authority and past Commission precedent applicable to non-ERCOT utilities for establishing a mechanism that would allow SWEPCO to track and seek dollar-for-dollar recovery of all future SPP OATT costs that may vary from the test year expenses.
- b. Please clarify whether SWEPCO's tracking proposal would also apply to all SPP OATT revenues received by SWEPCO.

Response No. TIEC 1-23:

- a. The basis for SWEPCO's request is discussed in Section VIII of Mr. Brice's testimony.
- b. SWEPCO's SPP OATT cost deferral proposal encompasses SPP OATT revenues received by SWEPCO associated with transmission investment that Texas retail customers are paying for through rates approved by the PUCT.

Prepared By: Thomas P. Brice

Title: VP Regulatory & Finance

Sponsored By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

Sponsored By: Thomas P. Brice

Title: VP Regulatory & Finance

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-24:

Referring page 23:

- a. Please provide workpapers showing the adjustments to accumulated depreciation for the retirement of Dolet Hills Power Station.
- b. Please state the following test year expenses related to the Dolet Hills Power Station:
 - i. Operation and maintenance expenses by FERC account;
 - ii. Property taxes; and
 - iii. Insurance.

Response No. TIEC 1-24:

- a. Please see Schedule B-1.5.17 that shows the \$82,311,412 adjustment to accumulated depreciation for the retirement of Dolet Hills Power Station. This adjustment increases accumulated depreciation which decreases rate base and SWEPCO's cost of service. In addition, please see the Highly Sensitive electronic version of Exhibit MAB-4 provided in this response for additional detail.
- b.
 - i. Dolet Hills Power Station O&M is provided on Schedule H-1.2c (Dolet Hills).
 - ii. Property taxes during the test year for Dolet Hills Generating Plant were: \$2,835,700
 - iii. Insurance expense recorded to FERC account 9240 on the Dolet Hills Power Station department during the test year was \$442,574.

TIEC 1-24 Exhibit MAB-4.xls responsive to this request is HIGHLY SENSITIVE MATERIAL under the terms of the Protective Order. Due to current restrictions associated with COVID-19, this information is being provided electronically and a secure login to access the information will be provided upon request to individuals who have signed the Protective Order Certification.

Prepared By: Randall W. Hamlett
Sponsored By: Michael A. Baird

Title: Dir Regulatory Acctg Svcs
Title: Mng Dir Acctng Policy & Rsrch

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-25:

Please provide a schedule of rate case expenses incurred in each of the following matters that SWEPCO is seeking to recover in this case:

- a. Docket No. 49042.
- b. Docket No. 46449.
- c. Docket No. 40443.

Response No. TIEC 1-25:

Please see Exhibit LFN-2 of the testimony of Ms. Lynn Ferry-Nelson for the requested information specific to Docket Nos. 49042 and 40443. At the time of SWEPCO's filing, no unrecovered expenses had been incurred on Docket No. 46449. SWEPCO anticipates additional expenses for Docket No. 40443 and possibly 46449, and will supplement this information throughout the duration of SWEPCO's base rate case.

Prepared By: Randall W. Hamlett
Prepared By: Tiffany A. Powell Day

Title: Dir Regulatory Acctg Svcs
Title: Regulatory Acctg Case Mgr

Sponsored By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-26:

Please provide all source documents for WP B-1.5.17 (Dolet ADIT Off-Set), including any referenced "live" EXCEL workbooks.

Response No. TIEC 1-26:

Please see electronic Highly Sensitive Exhibit MAB-4 spreadsheet provided in response to TIEC 1-24.

Prepared By: Randall W. Hamlett
Prepared By: Tiffany A. Powell Day

Title: Dir Regulatory Acctg Svcs
Title: Regulatory Acctg Case Mgr

Sponsored By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-27:

Please provide a schedule showing the monthly ancillary service charges for the total SWEPCO system and for Texas for the test year.

Response No. TIEC 1-27:

Please see TIEC 1-27 Attachment 1. Please note that these costs are not a component of this case but instead are recovered through SWEPCO's fuel factor and are subject to reconciliation in PUCT Docket No. 50997.

Prepared By: Randall W. Hamlett
Sponsored By: Michael A. Baird

Title: Dir Regulatory Acctg Svcs
Title: Mng Dir Acctng Policy & Rsrch

SWEPCO
TIEC 1-27

Month	Total Company				Texas Allocation Factor	Texas Retail				Total
	SPP Net Regulation LSE	SPP Net Spinning Reserve LSE	SPP Net Supp Reserve LSE	SPP Net Regulation LSE		SPP Net Spinning Reserve LSE	SPP Net Supp Reserve LSE			
	5550320	5550321	5550324	5550320		5550321	5550324			
Apr-19	269,227	123,232	84,427	476,886	36.92227%	99,405	45,500	31,172	176,077	
May-19	312,570	105,361	81,213	499,145	36.70677%	114,734	38,675	29,811	183,220	
Jun-19	154,876	145,018	60,733	360,626	36.44926%	56,451	52,858	22,137	131,446	
Jul-19	337,994	254,299	186,239	778,532	36.02957%	121,778	91,623	67,101	280,502	
Aug-19	231,263	107,786	132,152	471,202	34.86046%	80,619	37,575	46,069	164,263	
Sep-19	172,529	(107,468)	22,192	87,254	35.10367%	60,564	(37,725)	7,790	30,629	
Oct-19	273,140	38,723	15,331	327,194	37.56253%	102,598	14,546	5,759	122,903	
Nov-19	205,655	51,845	14,475	271,975	37.12607%	76,352	19,248	5,374	100,973	
Dec-19	152,439	37,505	21,875	211,819	36.40729%	55,499	13,655	7,964	77,118	
Jan-20	108,075	48,146	13,144	169,365	37.80897%	40,862	18,203	4,970	64,035	
Feb-20	114,595	38,868	14,495	167,958	37.31620%	42,763	14,504	5,409	62,676	
Mar-20	222,897	70,599	30,917	324,413	38.58695%	86,009	27,242	11,930	125,181	
Total	2,555,259	913,915	677,195	4,146,369		937,634	335,903	245,486	1,519,022	

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-28:

Please explain how the information presented in Exhibit GSW-3 was used in determining the target storm reserve and the expected annual losses.

Response No. TIEC 1-28:

The Trended Losses in Exhibit GSW-3 are used to calculate the input for a Monte Carlo simulation in which we project the amount of losses for a year. The simulation produces 5,000 iterations, and the model is run 10 times for a total of 50,000 runs. The average of all the runs is the expected annual losses. All the expected annual losses are ranked, and the amount at the 96th percentile represents the one in twenty-five year result. This is selected as the target storm reserve.

Prepared By: Gregory S. Wilson

Title: Vice President & Principal, Lewis & Ellis, Inc.

Sponsored by: Gregory S. Wilson

Title: Vice President & Principal, Lewis & Ellis, Inc.

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-29:

Please quantify the recommended target storm reserve and the expected annual losses change assuming the actual storm damage from the year 2000 had been excluded and provide the supporting workpapers.

Response No. TIEC 1-29:

Mr. Wilson has not performed the referenced quantification.

Prepared By: Gregory S. Wilson

Title: Vice President & Principal, Lewis & Ellis, Inc.

Sponsored by: Gregory S. Wilson

Title: Vice President & Principal, Lewis & Ellis, Inc.

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
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Question No. TIEC 1-30:

Please provide copies of all credit reports published by Moody's, Standard and Poor's (S&P), and Fitch for SWEPCO and its parent company over the last five years.

Response No. TIEC 1-30:

Please see TIEC 1-30 HS Attachments 1-25 for copies of all credit reports published by Moody's, Standard and Poor's (S&P), and Fitch for SWEPCO and its parent company over the last five years.

The attachments responsive to this request are HIGHLY SENSITIVE MATERIAL under the terms of the Protective Order. Due to current restrictions associated with COVID-19, this information is being provided electronically and a secure login to access the information will be provided upon request to individuals who have signed the Protective Order Certification.

Prepared By: Carrie M. Luedtke

Title: Corp Finance Analyst Principal

Sponsored By: Renee V. Hawkins

Title: Mng Dir Corporate Finance

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-31:

Please provide complete copies of all recent credit reports issued by Moody's, S&P, and Fitch that discuss the currently regulated utility industry.

Response No. TIEC 1-31:

Please see TIEC 1-31 HS Attachments 1- 7 for copies of recent credit reports issued by Moody's, S&P, and Fitch that discuss the currently regulated utility industry.

The attachments responsive to this request are HIGHLY SENSITIVE MATERIAL under the terms of the Protective Order. Due to current restrictions associated with COVID-19, this information is being provided electronically and a secure login to access the information will be provided upon request to individuals who have signed the Protective Order Certification.

Prepared By: Carrie M. Luedtke

Title: Corp Finance Analyst Prin

Sponsored By: Renee V. Hawkins

Title: Mng Dir Corporate Finance

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
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Question No. TIEC 1-32:

Please provide copies of all correspondence, presentations and all other materials that SWEPCO and its parent company provided to credit and equity analysts over the last two years.

Response No. TIEC 1-32:

Copies of all correspondence, presentations and all other materials that SWEPCO and its parent company provided to credit and equity analysts over the last two years can be found on AEP.com on the following link:

<https://aep.com/investors/events>

Prepared By: Carrie M. Luedtke

Sponsored By: Renee V. Hawkins

Title: Corp Finance Analyst Prin

Title: Mng Dir Corporate Finance

**SOAH DOCKET NO. 473-21-0538
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
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Question No. TIEC 1-33:

Please provide the most recent senior secured, unsecured and corporate credit rating of SWEPCO assigned by Moody's, S&P, and Fitch.

Response No. TIEC 1-33:

SWEPCO's applicable current ratings are as follows:

Moody's senior unsecured and issuer credit rating: Baa2, Stable Outlook

S&P senior unsecured and issuer credit rating: A-, Stable Outlook

Fitch long-term issuer default rating is BBB, Stable Outlook while the senior unsecured rating is BBB+, Stable Outlook.

Prepared By: Carrie M. Luedtke

Title: Corp Finance Analyst Prin

Sponsored By: Renee V. Hawkins

Title: Mng Dir Corporate Finance

**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
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Question No. TIEC 1-34:

Please provide SWEPCO's S&P business and financial risk profiles and identify the S&P volatility benchmark tables (medial, low) used for SWEPCO and its parent company.

Response No. TIEC 1-34:

S&P business and financial risk profiles and volatility benchmark tables used for SWEPCO and its parent company can be found within TIEC_1_30_HS Attachment 18 and TIEC_1_30_HS Attachment 25, respectively.

Prepared By: Carrie M. Luedtke
Sponsored By: Renee V. Hawkins

Title: Corp Finance Analyst Prin
Title: Mng Dir Corporate Finance

**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
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Question No. TIEC 1-35:

Please identify the benchmark risk assessment for SWEPCO and its parent company from Moody's and Fitch.

Response No. TIEC 1-35:

For Moody's, the benchmark risk assessments for SWEPCO and its parent company can be found in TIEC_1_30_HS Attachment 12 and TIEC_1_30_HS Attachment 15, respectively.

For Fitch, the benchmark risk assessments for SWEPCO and its parent company can be found in TIEC_1_30_HS Attachment 17.

Prepared By: Carrie M. Luedtke
Sponsored By: Renee V. Hawkins

Title: Corp Finance Analyst Prin
Title: Mng Dir Corporate Finance

**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
TO TEXAS INDUSTRIAL ENERGY CONSUMERS'
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Question No. TIEC 1-36:

Please provide in electronic format, with all formulas and links intact, the calculations of SWEPCO's credit metric calculations relied on by Moody's when determining SWEPCO's credit ratings in its most recent credit report.

Response No. TIEC 1-36:

SWEPCO does not have the calculations used by Moody's in their credit opinion.

Prepared By: Carrie M. Luedtke
Sponsored By: Renee V. Hawkins

Title: Corp Finance Analyst Prin
Title: Mng Dir Corporate Finance

**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE
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Question No. TIEC 1-37:

Please provide the following:

- a. EXCEL workbooks of all exhibits with all links and formulas intact.
- b. All supporting workpapers for Mr. D'Ascendis' exhibits in EXCEL format with all links and formulas intact.

Response No. TIEC 1-37:

See TIEC 1-37 (SWEPCO ROE Electronic Exhibit).xlsm provided electronically on the PUC Interchange for the requested information. See also TIEC 1-37 Attachment 1 for an index of Mr. D'Ascendis workpapers filed with the Company's rate filing package.

Prepared By: Dylan D'Ascendis

Title: Director, ScottMadden, Inc.

Sponsored by: Dylan D'Ascendis

Title: Director, ScottMadden, Inc.

Southwestern Electric Power Company
Index of Workpapers
to Mr. Dylan W. D'Ascendis' Direct Testimony and Exhibit

1. Federal Power Comm'n v. Hope Natural Gas Co., 320 U.S. 591, 1944 (FN 01)
2. Bluefield Water Works Improvement Co. v. Public Serv. Comm'n, 262 U.S. 679, 1922 (FN 02)
3. Federal Reserve Press Release, March 15, 2020 (FN 03)
4. Federal Reserve Press Release, April 6, 2020 (FN 04)
5. Federal Reserve Press Release, April 9, 2020 (FN 05)
6. S&P Global Market Intelligence, Trump signs \$484B coronavirus relief package into law, April 24, 2020 (FN 06)
7. Morningstar, Correlations Going to 1: Amid Market Collapse, U.S. Stock Fund Factors Show Little Differentiation, March 6, 2020 (FN 12)
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